MINUTES

GENERAL EMPLOYEES' RETIREMENT COMMITTEE MEETING

MONDAY - SEPTEMBER 12, 2016 - 3:00 PM

PRESENT	ALSO PRESENT
Lori Helton – Chair	Charlie Mulfinger/Scott Owens – Graystone
Kendra Woodroffe	Pedro Herrera – Sugarman & Susskind
Larry Gordon	Martin Lebowitz – Pension Administrator
Councilwoman Marlen Martell	Renaldo Gayle – Asst. Plan Administrator
Councilwoman Barbara Kramer	Jeff Gladfelter – Blackrock
ABSENT	**DEPARTMENT REPRESENTATIVES**

I. ROLL CALL

The meeting was called to order at 3:03 p.m. by Trustee Lori Helton, followed by a roll call of the Trustees by Martin Lebowitz.

II. PUBLIC COMMENTS

There were no public comments.

III. GRAYSTONE CONSULTING – Q/E 6/30/2016

Charlie Mulfinger introduced Jeff Gladfelter of Blackrock.

BLACKROCK

Mr. Gladfelter discussed the company's investment strategies and history. He spoke briefly about how the company is structured and what to expect going forward. He then asked the trustees if they had any questions.

Trustee Larry Gordon asked about the company's management fees. Mr. Gladfelter's response was that the fee is 1.06% annually excluding investment related expenses.

Scott Owens discussed the economy and the impact it has had on the previous quarters and stated that there was and will be a lot of volatility going forward.

Mr. Mulfinger provided a performance summation of the individual managers for the quarter. The plan is slightly overweighted in Large Cap Value, Mid Cap Growth and International Growth. International Value and Large Cap Growth are slightly underweighted. The Small/Mid Cap Value are equal. The plan is currently at 60.27% in stocks versus the target of 60%. Fixed Income, Hedge Funds and Real Estate are all within range. However, the ranges and targets have changed and the Investment Policy Statement will be updated to reflect the changes. He presented the performance report, indicating a total portfolio market value on 6/30/2016 of $76,507,120 (including accrued income). This represents a net decrease in value from the previous quarter of $1,012,315. **Please see attached Summary of Relevant Facts as of June 30, 2016.**

Mr. Mulfinger then discussed the changes to the investment policy statement. The necessary revisions to the document were made and presented to the board.

Motion by Trustee Larry Gordon, seconded by Trustee Barbara Kramer, to approve the revised version of the Investment Policy Statement.

Motion carried unanimously

IV. ATTORNEY'S REPORT

- **NICOLE CAMACHO – IUPA TO AFSCME**

  Mr. Herrera spoke about the possible scenario of a member switching bargaining units. He told the board that the plan does not have anything in writing that specifically addresses the situation. There isn't a clear answer as to what date the member would be eligible to retire on. He recommended the information and potential issues be forwarded to both the union and the city to see how they could resolve it or if an amendment to the plan would be needed.

  Trustee Lori Helton agreed that the issue should be forwarded to both the union and city. Mr. Herrera will prepare a memo with the issues and forward it to the pension office and the trustees for it to be circulated to the union and city.

V. PENSION SOFTWARE

Mr. Lebowitz informed the board that due to the changes made to the pension plan, the current pension calculating software can no longer accommodate requests. As more changes occur, the software becomes useless and calculation requests have to be done manually when participants want estimates.

The board gave the pension office staff directions to do some research to see what is available and report back with the findings for consideration.

VI. PENSION OFFICE SPACE

Trustee Lori Helton informed the board that the pension office staff has been told that they will be moved across the street but that there are concerns regarding the cubicle space being provided not being suitable.

The board was also informed that the pension office is in need of new filing cabinets.

Motion by Trustee Barbara Kramer, seconded by Trustee Larry Gordon, to authorize the purchase of six new filing cabinets for the pension office. Cost to be split between both pension boards.

Motion carried unanimously

VII. OPEN DISCUSSION

There was no open discussion.

VIII. APPROVAL OF MINUTES – 6/2/2016

Motion by Trustee Barbara Kramer, seconded by Trustee Marlen Martell, to accept the minutes of 6/2/2016.

Motion carried unanimously

IX. APPROVAL OF INVOICES

Motion by Trustee Barbara Kramer, seconded by Trustee Marlen Martell, to approve payment of all invoices.

Motion carried unanimously

	DESCRIPTION	AMOUNT
1.	Morgan Stanley Smith Barney (Graystone) – Consulting Fees	$8,125 .00
2.	Sawgrass – Investment Management Fees (Large Cap Growth)	9,815.30
3.	Wedgewood – Investment Management Fees (Large Cap Growth)	9,309.00
4.	Garcia Hamilton – Investment Management Fees (Fixed Income)	10,526.56
5.	Buckhead Capital – Investment Management Fees (Large Cap Value)	20,859.25
6.	Harding Loevner – Investment Management Fees (Int'l Growth)	7,737.00
7.	Thornburg Management – Investment Management Fees (Int'l Value)	6,161.96
8.	MDT – Investment Management Fees (Mid Cap Growth)	7,747.13
9.	Gabriel, Roeder, Smith & Co. – Actuary Fees	9,625.00
10.	Sugarman & Susskind – Legal Fees	7,234.50
11.	Salem Trust Co. – Custodian Fees	7,932.04
	Checks already issued since last meeting, for ratification by board:	
12.	City of NMB – Health/Dental/Group Life Premiums (R. Gayle, Jul. 2016)	224.83
13.	City of NMB – Health/Dental/Group Life Premiums (R. Gayle, Aug. 2016)	224.83
14.	City of NMB – Health/Dental/Group Life Premiums (R. Gayle, Jun. 2016)	224.83
15.	Larry Gordon – FPPTA Per Diem	200.00
16.	Marty Lebowitz – FPPTA Per Diem	100.00
17.	Renaldo Gayle – FPPTA Per Diem	100.00
18.	Renaldo Gayle – FPPTA Mileage & Tolls	132.78
19.	Larry Gordon – FPPTA Mileage & Tolls	278.39
20.	Martin Lebowitz – FPPTA – Rental Car, Tolls & Gas	120.32
21.	FPPTA Registration – Gayle, Lebowitz and Gordon	1,100.00
22.	Larry Gordon – FPPTA Hotel	512.07
23.	Martin Lebowitz – FPPTA Hotel	256.04
24.	Renaldo Gayle – FPPTA Hotel	256.04
25.	Unemployment Taxes	13.70
26.	Office Supplies	163.94
	TOTALS	**$108,980.51**

The next scheduled meeting is on December 14, 2016. Meeting was adjourned at 4:37 p.m.

Renaldo Gayle, Asst. Pension Administrator

SUMMARY OF RELEVANT FACTS
City of North Miami Beach General Employees' Retirement Plan
As of June 30, 2016

Distribution of Assets:		
Equity		
- Large Cap. Value	$15,687,404	
- Large Cap. Growth	$15,240,540	
- Small/Mid Cap. Value	$3,823,571	
- Mid Cap Growth	$3,875,510	
- International Value	$3,639,402	
- International Growth	$3,840,951	
Total Equity		$46,107,377
Fixed Income		$16,942,991
Hedge Fund of Funds		$7,129,693
Core Private Real Estate		$5,803,147
Cash (R&D/Residuals)		$523,911
Total Portfolio		$76,507,120

Distribution by Percentages:	Policy	Current
Equity Breakdown		
- Large Cap. Value	20.00%	20.50%
- Large Cap. Growth	20.00%	19.92%
- Small/Mid Cap. Value	5.00%	5.00%
- Mid Cap Growth	5.00%	5.07%
- International Value	5.00%	4.76%
- International Growth	5.00%	5.02%
Total Equity	60.00%	60.27%
Fixed Income	22.50%	22.15%
Hedge Fund of Funds	10.00%	9.32%
Core Private Real Estate	7.50%	7.59%
Cash (R&D/Residuals)	0.00%	0.68%
Total Portfolio	100.00%	100.00%

Other Important Facts:

Total Portfolio	$76,507,120
Total Gain or (Loss) (Gross-of-Fees)	$648,194
Total Gain or (Loss) (Net-of-Fees)	$550,812
Total Fees	($97,381)

Buckhead (Large Cap Value)			Wedgewood (Large Cap Growth)	
Total Assets	100.00%	$15,687,404	100.00%	$7,388,300
Equity	96.74%	$15,175,492	91.53%	$6,762,847
Cash	3.26%	$511,912	8.47%	$625,453
Fees		($21,061)		($9,387)
Gain or (Loss) - Gross		$528,698		($137,646)
Gain or (Loss) - Net		$507,637		($147,033)

Sawgrass (Large Cap Growth)			Boston Partners (Small/Mid Cap Value)	
Total Assets	100.00%	$7,852,239	100.00%	$3,823,571
Equity	98.25%	$7,714,638	100.72%	$3,850,972
Cash	1.75%	$137,602	-0.72%	($27,400)
Fees		($9,938)		($7,620)
Gain or (Loss) - Gross		$112,112		($37,174)
Gain or (Loss) - Net		$102,175		($44,794)

Thornburg (Int'l Value)			MDT (Mid Cap Growth)	
Total Assets	100.00%	$3,639,402	100.00%	$3,875,510
Equity	97.08%	$3,533,157	99.51%	$3,856,402
Cash	2.92%	$106,245	0.49%	$19,108
Fees		($6,067)		($8,246)
Gain or (Loss) - Gross		($89,907)		($208,817)
Gain or (Loss) - Net		($95,974)		($217,064)

Garcia Hamilton (Fixed Income)			Harding Loevner (Int'l Growth)	
Total Assets	100.00%	$16,942,991	100.00%	$3,840,951
Fixed Income	98.72%	$16,726,762	98.21%	$3,772,168
Cash	1.28%	$216,228	1.79%	$68,783
Fees		($10,651)		($7,608)
Gain or (Loss) - Gross		$238,951		$44,308
Gain or (Loss) - Net		$228,300		$36,700

Pine Grove (HFOF)			Receipts & Disbursements Acc't	
Total Assets	100.00%	$3,562,119	Total Assets	$523,911
HFOF	100.00%	$3,562,119	Cash	$523,911
Fees		$0	Gain or (Loss) - Gross	$0
Gain or (Loss) - Gross		$46,149		
Gain or (Loss) - Net		$46,149		

UBS (Core Private Real Estate)			Private Advisors (HFOF)	
Total Assets	100.00%	$5,803,147	100.00%	$3,567,574
Private Real Estate	100.00%	$5,803,147	100.00%	$3,567,574
Fees		($16,803)		$0
Gain or (Loss) - Gross		$101,753		$49,766
Gain or (Loss) - Net		$84,950		$49,766

The prices, quotes or statistics contained herein have been obtained from sources believed reliable, however, the accuracy cannot be guaranteed. Past performance is not a guarantee of future results

Breakdown of Returns
City of North Miami Beach General Employees' Retirement Plan
As of June 30, 2016

Buckhead Large Cap. Value	Your Returns Gross-of-Fees	Your Returns Net-of-Fees	Russ 1000 Value	PSN Money Mgrs	S&P 500
Quarter	3.39	3.25	4.58	3.59	2.46
1 year	3.90	3.34	2.86	1.80	4.01
3 year	10.23	9.80	9.87	9.41	11.67
5 year	10.66	10.17	11.35	10.79	12.11
Since 9/30/2006	6.00	5.47	5.64	6.83	7.02
Wedgewood Large Cap. Growth			**Russ 1000 Growth**	**PSN Money Mgrs**	
Quarter	(1.78)	(1.90)	0.62	3.59	
1 year	(5.97)	(6.44)	3.03	1.80	
Since 10/31/2014	(2.86)	(3.31)	5.52	NA	
Sawgrass Large Cap. Growth			**Russ 1000 Growth**	**PSN Money Mgrs**	
Quarter	1.47	1.34	0.62	3.59	
1 year	6.10	5.57	3.03	1.80	
Since 10/31/2014	5.85	5.38	5.52	NA	
Boston Partners Small/Mid Cap. Value			**Dynamic Russ 2500 Value**	**PSN Money Mgrs**	
Since 4/30/2016	0.76	0.56	2.38	NA	
Boston/GW - Quarter	(0.96)	(1.15)	4.55	3.28	
Boston/GW - 1 year	(9.12)	(9.82)	(2.35)	(0.95)	
Boston/GW - 3 year	0.52	(0.24)	6.44	9.30	
Boston/GW - 5 year	3.45	2.68	8.20	10.54	
Boston/GW - Since 2/28/2009	14.87	14.05	16.83	NA	
MDT Advisers Mid Cap. Growth			**Russ Mid Growth**	**PSN Money Mgrs**	
Quarter	(5.09)	(5.29)	1.56	1.75	
1 year	(9.32)	(10.06)	(2.14)	(5.05)	
3 year	9.06	8.19	10.53	9.51	
5 year	10.80	9.94	9.99	9.34	
Since 5/31/2009	17.93	17.03	15.70	NA	
Thornburg International Value			**MSCI AC Wrld x US**		
Quarter	(2.45)	(2.61)	(0.64)		
1 year	(11.77)	(12.37)	(10.24)		
3 year	1.01	0.36	1.16		
5 year	0.42	(0.22)	0.10		
Since 9/30/2009	3.88	3.23	2.78		

Harding Loevner International Growth			MSCI AC Wrld x US		
Quarter	1.15	0.95	(0.64)		
1 year	(5.06)	(5.84)	(10.24)		
3 year	4.46	3.64	1.16		
5 year	2.83	2.01	0.10		
Since 3/31/2009	10.77	9.93	8.75		
Garcia Hamilton & Associates Fixed Income			**BC Int. Gov/Credit**	**BC Int. Aggregate**	**90-Day T-Bill**
Quarter	1.43	1.37	1.59	1.44	0.06
1 year	5.45	5.17	4.33	4.36	0.13
3 year	4.42	4.15	2.95	3.24	0.07
5 year	4.56	4.29	2.90	2.96	0.07
Since 2/28/2009	5.94	5.68	3.97	4.16	0.08
Private Advisors Alternative Investments			**HFRI FOF Con**	**BG Agg**	
Quarter	1.41	1.41	0.12	2.21	
1 year	(4.02)	(4.02)	(3.71)	6.00	
Since 10/31/2013	(0.64)	(0.64)	1.18	4.04	
Pine Grove Alternative Investments			**HFRI FOF Con**	**BG Agg**	
Quarter	1.31	1.31	0.12	2.21	
1 year	(5.23)	(5.23)	(3.71)	6.00	
Since 11/30/2013	(0.59)	(0.59)	0.90	4.33	
UBS Trumbull Property Fund Core Private Real Estate			**NCREIF**	**ODCE**	**BG Agg**
Quarter	1.78	1.49	2.03	2.13	2.21
1 year	10.69	9.40	10.64	11.81	6.00
3 year	11.24	9.95	11.61	12.99	4.06
Since 7/31/2012	11.12	9.88	11.65	12.79	2.55

TOTAL RETURN Time-Weighted Return (TWR)			Policy Index	
Quarter	0.85	0.72	1.80	
1 year	0.47	(0.04)	1.48	
3 year	6.63	6.15	7.35	
5 year	6.85	6.37	7.49	
Since 9/30/2006	6.20	5.73	6.01	
Dollar-Weighted Net (IRR)			**Actuarial Rate**	**CPI + 4**
Quarter		0.72	1.88	1.87
1 year		(0.09)	7.75	5.25
3 year		6.26	7.75	5.09
5 year		6.42	7.75	5.43
Since 9/30/2006		5.78	7.75	5.77

Policy Index Composition

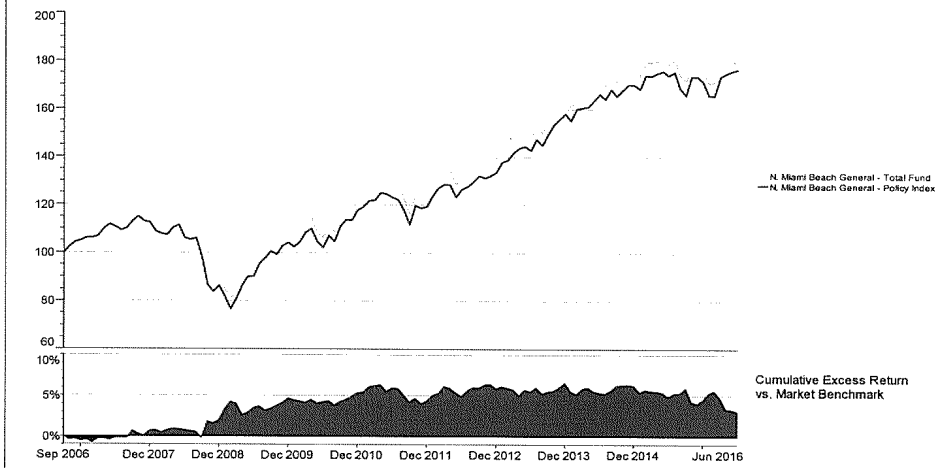
- 20% Russ 1000 Value / 20% Russ 1000 Growth / 5% Russ 2000 Value / 5% Russ Mid Growth / 10% MSCI AC Wd x US (net) / 22.5% BC Int G/C /10.0% HFRI FOF Con/ 7.5% NCREIF for periods since 10/31/2013
- 20% Russ 1000 Value / 20% Russ 1000 Growth / 5% Russ 2000 Value / 5% Russ Mid Growth / 10% MSCI AC Wd x US (net) / 40% BC Int G/C for periods from 9/30/2009 to 6/30/2012
- 20% Russ 1000 Value / 20% Russ 1000 Growth / 5% Russ 2000 Value / 5% Russ Mid Growth / 5% MSCI EAFE (net) / 5% MSCI AC Wd x US (net) / 40% BC Int G/C for periods from 5/31/2009 to 9/30/2009
- 20% Russ 1000 Value / 20% Russ 1000 Growth / 5% Russ 2000 Value / 5% Russ 2000 Growth / 10% MSCI EAFE (net) / 40% BC Int G/C for periods from 2/28/2009 to 5/31/2009
- 12.5% Russ 1000 Value / 27.5% Russ 1000 Growth / 5% Russ Mid Value / 5% Russ 2000 Growth / 10% MSCI EAFE (net) / 20% BC Int G/C / 20% BC Agg for periods prior to 2/28/2009

Risk/Return Analysis- Since Inception

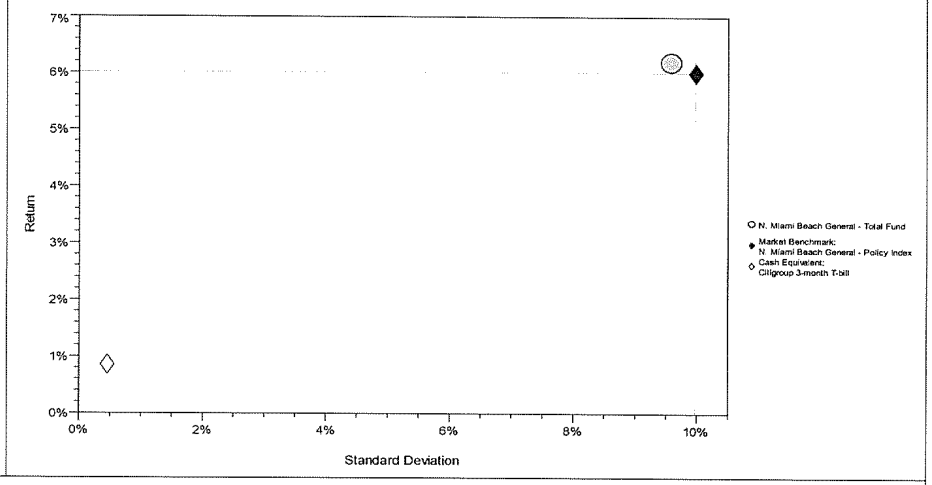
Zephyr StyleADVISOR

Zephyr StyleADVISOR, Graystone Consulting

Manager Performance
October 2006 - June 2016 (Single Computation)



Risk / Return
October 2006 - June 2016 (Single Computation)



Return & Risk Analysis

October 2006 - June 2016: Summary Statistics

	Return	Excess Return vs. Market	Standard Deviation	Beta vs. Market	Maximum Drawdown	Up Capture vs. Market	Down Capture vs. Market	Alpha vs. Market	Sharpe Ratio	R-Squared vs. Market
N. Miami Beach General - Total Fund	6.20%	0.19%	9.57%	0.95	-29.90%	99.17%	97.49%	0.48%	0.56	97.42%
N. Miami Beach General - Policy Index	6.01%	0.00%	9.97%	1.00	-33.40%	100.00%	100.00%	0.00%	0.52	100.00%

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COMPLIANCE CHECKLIST

City of North Miami Beach General Employees' Retirement Plan

As of June 30, 2016

GUIDELINES	In Compliance
Equity Portfolio	
Listed on recognized exchange	Yes
Single issue not to exceed 10% at market value for each equity in each separately managed portfolio	Yes
Total equity portfolio < 62.5% & > 57.5% of total fund at market	Yes
Single issue not to exceed 5% at market value for the total portfolio	Yes
Foreign equities < 25% of total portfolio at market	Yes

OBJECTIVES	In Compliance	
Total Portfolio	3 years	Since Inception
Exceed Target Index	No	Yes
Exceed actuarial assumption (7.75%) *	No	No
Exceed CPI + 4% *	Yes	Yes

** Measured using Net Dollar-Weighted Rate of Return*

Buckhead

Large Capitalization Value Equity Portfolio

Market Value < 22.5% & > 17.5% of total fund	Yes	
Performance (Inception 9/30/2006)	3 years	Since Inception
Rank in the Top 50% of manager universe	Yes	No
Return > Russell 1000 Value	Yes	Yes

Wedgewood

Large Capitalization Growth Equity Portfolio

Market Value < 11.25% & > 8.75% of total fund	Yes	
Performance (Inception 10/31/2014)	3 years	Since Inception
Rank in the Top 50% of manager universe	N/A	No
Return > Russell 1000 Growth	N/A	No

Sawgrass

Large Capitalization Growth Equity Portfolio

Market Value < 11.25% & > 8.75% of total fund	Yes	
Performance (Inception 10/31/2014)	3 years	Since Inception
Rank in the Top 50% of manager universe	N/A	Yes
Return > Russell 1000 Growth	N/A	Yes

Boston Partners

Small/Mid Capitalization Value Equity Portfolio

Market Value < 7.5% & > 2.5%of total fund	Yes	
Performance (Inception 4/30/2016)	3 years	Since Inception
Rank in the Top 50% of manager universe	N/A	No
Return > Russell 2500 Value	N/A	No

MDT Advisers

Mid Capitalization Growth Equity Portfolio

Market Value < 7.5% & > 2.5%of total fund	Yes	
Performance (Inception 5/31/2009)	3 years	Since Inception
Rank in the Top 50% of manager universe	No	Yes
Return > Russell 2000 Growth	No	Yes

UBS

Private Real Estate

Market Value < 10.0% & > 0.0% of total fund	Yes	
Performance (Inception 7/31/2012)	3 year	Since Inception
Performance > NCREIF/BC Agg	No	No
Performance > NCREIF ODCE	No	No
Performance > BC Aggregate	Yes	Yes

Thornburg

International Value Equity Portfolio

Market Value < 7.5% & > 2.5%of total fund	Yes	
Performance (Inception 9/30/2009)	3 years	Since Inception
Return > MSCI EAFE (Net)	No	Yes

Harding Loevner

International Growth Equity Portfolio

Market Value < 7.5% & > 2.5%of total fund	Yes	
Performance (Inception 3/31/2009)	3 years	Since Inception
Return > MSCI All Country World ex US	Yes	Yes

Garcia Hamilton & Associates

Fixed Income Portfolio

Market Value < 25.0% & > 20.0% of total fund	Yes	
Performance (Inception 2/28/2009)	3 years	Since Inception
Return > Barclays Cap Interm. Gov't/Credit	Yes	Yes
U.S. Government / Agency or U.S. Corporations	Yes	
Bonds rated "A" or better	Yes	
Single corporate issuer not exceed 10% of bond portfolio (except U.S. Government/Agency)	Yes	

Private Advisors

Hedge Fund of Funds

Market Value < 5.0% & > 0% of total fund	Yes	
Performance (Inception 10/31/2013)	3 years	Since Inception
Performance > HFRI FOF Conservative	N/A	No
Performance > BC Aggregate	N/A	No

Pine Grove

Hedge Fund of Funds

Market Value < 5.0% & > 0% of total fund	Yes	
Performance (Inception 11/30/2013)	3 years	Since Inception
Performance > HFRI FOF Conservative	N/A	No
Performance > BC Aggregate	N/A	No

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